

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6062

BILL NUMBER: SB 53

DATE PREPARED: Oct 22, 1998

BILL AMENDED:

SUBJECT: Alarm system contractor licensing.

FISCAL ANALYST: Brian Tabor

PHONE NUMBER: 233-9456

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a person who operates a business that installs, repairs, or services an alarm system to be licensed. It establishes a five-member Alarm System Board and provides licensure and registration requirements for the regulation of alarm system contractors and their employees. The bill requires employees of an alarm system contractor to be registered and have identification cards. It also staggers the terms of the initial appointments to the Board.

Effective Date: Upon passage; July 1, 1999.

Explanation of State Expenditures: The Professional Licensing Agency is to provide administrative services to the Alarm System Board. An additional staff member would likely be needed to track and maintain records for alarm system contractor licenses. The Board will meet several times annually, and each member of the Board who is not a state employee is entitled to per diem, travel, and other expenses incurred in connection with the member's duties.

The following are estimates of additional annual expenses that would be incurred by the Professional Licensing Agency (other minimal expenses will occur annually for printing and postage):

Salary and benefits for one COMOT III level position:	\$23,381
Twelve board meetings for five members:	<u>\$ 3,840</u>
	\$27,221

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Funds that, otherwise, would be reverted; or (4) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: The bill provides that the Board shall set registration and renewal fees. The amount of revenue generated would be the amount of the fees established by the Board multiplied by the number of applicants. No data is available concerning the number of individuals who may seek licensure. Revenue generated from these fees would be deposited in the state General Fund.

This bill also provides that a person who violates its regulations commits a Class A infraction. If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is \$10,000 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Indiana Professional Licensing Agency, courts, and law enforcement agencies.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Michelle Smith, Indiana Professional Licensing Agency (317) 232-2510.